



Annual Report

1949

BOARDS

MRLB

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M 66632

MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE RAILROAD CO.

FRONT COVER

A typical open pit iron ore mine on the Cuyuna range in Northern Minnesota. Since the opening of this range in 1911 the Soo Line has hauled 44,300,703 tons from the various mines.

Annual report

OF THE

MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE
RAILROAD COMPANY

FOR THE YEAR ENDED

DECEMBER 31

1949



MINNEAPOLIS, S. T. PAUL & SAULT STE. MARIE RAILROAD COMPANY

DIRECTORS

- HENRY E. ATWOOD.....Minneapolis, Minn.
President, First National Bank of Minneapolis
- JOHN E. BLUNT.....Chicago, Illinois
*Formerly Vice President, Continental Illinois National
Bank and Trust Company of Chicago*
- PAUL V. EAMES.....Minneapolis, Minn.
President, Shevlin, Carpenter & Clark Company
- *HORACE C. GROUT.....Minneapolis, Minn.
Formerly President, M. St. P. & S. S. M. Railroad Company
- FRANK T. HEFFELFINGER.....Minneapolis, Minn.
Chairman of the Board, F. H. Peavey & Company
- W. L. HUFF.....Minneapolis, Minn.
*Executive Vice President, Minneapolis-Honeywell
Regulator Company*
- *CLIVE T. JAFFRAY.....Minneapolis, Minn.
Formerly Chairman, M. St. P. & S. S. M. Railway Company
- *HENRY S. KINGMAN.....Minneapolis, Minn.
President, Farmers and Mechanics Savings Bank of Minneapolis
- HENRY LALIBERTE.....Duluth, Minn.
President, Cutler Magner Company
- *G. ALLAN MACNAMARA.....Minneapolis, Minn.
President, M. St. P. & S. S. M. Railroad Company
- W. A. MATHER.....Montreal, Quebec
President, Canadian Pacific Railway Company
- COLA G. PARKER.....Neenah, Wisconsin
President, Kimberly-Clark Corporation
- JOHN S. PILLSBURY.....Minneapolis, Minn.
Chairman of the Board, Pillsbury Mills, Inc.
- *HOMER B. VANDERBLUE.....Evanston, Illinois
Dean Emeritus, School of Commerce, Northwestern University
- G. W. WEBSTER.....Minneapolis, Minn.
Formerly President, M. St. P. & S. S. M. Railway Company
- *Member of Executive Committee

**GENERAL OFFICES
FIRST NATIONAL-SOO LINE BUILDING
MINNEAPOLIS, MINNESOTA**

OFFICERS

| | | |
|--|----------------------|-------------|
| President..... | G. A. MACNAMARA..... | Minneapolis |
| Vice President and General Counsel..... | J. L. HETLAND | " |
| Vice President..... | C. S. POPE..... | " |
| Secretary and Asst. to the President..... | J. C. PETERSON | " |
| Treasurer..... | C. H. BENDER..... | " |
| Assistant Secretary..... | M. J. TRACY | " |
| Assistant Treasurer..... | W. LEICESTER..... | " |
| General Traffic Manager..... | W. W. KREMER..... | " |
| Comptroller..... | J. B. DONNELLY..... | " |
| General Manager..... | R. L. SIMPSON | " |
| Industrial and Real Estate Commissioner | R. S. CLAAR..... | " |

**MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE
RAILROAD COMPANY**

TRANSFER AND FISCAL AGENTS

FIRST MORTGAGE BONDS

TRANSFER AGENTS:

The Northern Trust Company
50 S. La Salle Street, Chicago 90, Ill.

Bank of Montreal Trust Company
64 Wall Street, New York 5, N. Y.

FISCAL AGENTS:

The Northern Trust Company
50 S. La Salle Street, Chicago 90, Ill.

Agency, Bank of Montreal
64 Wall Street, New York 5, N. Y.

GENERAL MORTGAGE BONDS

TRANSFER AND FISCAL AGENTS:

Harris Trust and Savings Bank
115 W. Monroe Street, Chicago 90, Ill.

Central Hanover Bank and Trust Company
70 Broadway, New York 15, N. Y.

COMMON SHARES

TRANSFER AND PAYING AGENT:

Bank of New York and Fifth Avenue Bank
48 Wall Street, New York 15, N. Y.

REGISTRAR:

Central Hanover Bank and Trust Company
70 Broadway, New York 15, N. Y.

ANNUAL SHAREHOLDERS MEETING

Third Tuesday in May at Minneapolis, Minn.

TO THE SHAREHOLDERS:

The gross revenues of the company decreased \$1,579,465 from the record high established in 1948, due mainly to a substantial drop in freight tonnage handled which was offset only in part by increased freight rates allowed by the Interstate Commerce Commission and by the various State Commissions. Operating expenses and taxes also decreased in the amount of \$1,274,790 and after deducting all other expenses, including interest and sinking fund requirements under the company's mortgages, there remained a net income of \$1,148,481, which is a decrease of \$621,940 from the net income for 1948.

A condensed income statement showing the results of operations for the year 1949, together with comparisons for the year 1948, follows:

| | 1949 | 1948 |
|--|--------------|--------------|
| Railway Operating Revenues..... | \$35,430,968 | \$37,010,433 |
| Railway Operating Expenses..... | 29,648,872 | 30,469,055 |
| Net Revenue from Railway Operations..... | 5,782,096 | 6,541,378 |
| Net—Tax Accruals, Equipment Rents and Joint Facility Rents—Dr. | 3,850,620 | 4,031,039 |
| Net Railway Operating Income..... | 1,931,476 | 2,510,339 |
| Other Income Less Miscellaneous Deductions..... | 198,372 | 241,842 |
| Income Available for Fixed and Contingent Charges..... | 2,129,848 | 2,752,181 |
| Fixed Charges | 5,288 | 3,313 |
| Income after Fixed Charges..... | 2,124,560 | 2,755,494 |
| Interest on First Mortgage Bonds..... | 283,658 | 284,388 |
| Balance | 1,840,902 | 2,471,106 |
| Interest on General Mortgage Bonds..... | 591,776 | 600,040 |
| Sinking Fund—General Mortgage..... | 100,645 | 100,645 |
| Net Income | \$ 1,148,481 | \$ 1,770,421 |

REVENUES

FREIGHT REVENUES amounted to \$32,042,081 in 1949 as compared to \$33,318,449 in 1948, a decrease of \$1,276,368 or 3.83%. A detailed statement of traffic handled, classified by principal commodities, is shown on page 20.

It will be noted that substantial decreases occurred in revenues from Products of Mines and from Products of Forests. Because of the greatly increased production of oil in the Canadian fields the movement of westbound crude petroleum has been almost entirely eliminated and the revenues on this commodity dropped from \$728,078 in 1948 to \$76,773 in 1949. Work stoppages, reduced days of operation and strikes affected the movement of coal resulting in a decrease of \$109,549 in revenues. Continuance of the strike beyond the end of the year will undoubtedly further reduce coal revenue in 1950.

There was a decrease in traffic received from Canadian points, principally in lumber, shingles, and lath, due to a decline in general industrial production and a decrease in shipments of pulpwood to Wisconsin paper mills.

Of the grain crop movement during 1949, that which originated on line increased from 53,971,000 bushels in 1948 to 54,085,000, as shown by the table on page 25, of which 26,786,000 moved between January 1 and July 31, and 27,299,000 bushels moved between August 1 and December 31. It is estimated that 32,475,000 bushels remained in elevators and on farms at December 31, 1949. The car supply in 1949 was adequate to handle all grain shipments offered for movement.

Iron ore moved by this company from the Cuyuna Range for shipment from the Superior Ore Dock amounted to 1,083,445 tons in 1949 as compared with 1,259,425 tons moved in 1948, a decrease of 13.97%, while deliveries to other railroads declined 8.59% from 501,900 tons in 1948 to 458,784 tons in 1949. Shipments were interrupted by a strike at the mines, coincident with the national steel strike.

It is estimated that increased freight rates which became effective January 11, 1949 and September 1, 1949 produced additional revenues amounting to \$1,525,000; however, the benefits of such increased rates were largely offset by the reduction in tonnage handled during the year.

The agreement with the Canadian Pacific to interchange eastbound traffic at Portal instead of Noyes, effective May 1, 1948, was amended effective January 1, 1949 to give this company an increase in the rate per car for performing the longer haul. Total compensation for performing the longer haul in 1949 was \$433,744 as compared to \$248,149 for 1948, or an increase of \$185,595.

PASSENGER REVENUES amounted to \$1,351,907, a decrease of \$105,664 or 7.25% as compared with 1948. Substantially all of this decrease was due to the reduced number of passengers handled in the fourth quarter of the year.

MAIL REVENUES amounted to \$879,972, a decrease of \$5,663 as compared with 1948. Mail space rates in 1949 remained the same as those in effect in 1948. A reduction in space contracted for by the Postal Department was responsible for the decrease in earnings.

EXPRESS REVENUES amounted to \$236,896, a decrease of \$83,889 from 1948 or 26.15%. This decrease is due principally to the diversion of the movement from express to U. S. mail because the parcel post rates have not been increased in keeping with the new express rates.

ALL OTHER REVENUES decreased to \$920,112 in 1949 from \$1,027,993 in 1948 or 10.49%. Small increases in switching, dining and buffet car service revenues were more than offset by reductions in milk, sleeping car, demurrage and other miscellaneous revenues.

EXPENSES

RAILWAY OPERATING EXPENSES amounted to \$29,648,872 as compared with \$30,469,055 in 1948, a decrease of \$820,183, or 2.69%.

MAINTENANCE OF WAY EXPENSES decreased \$142,245, or 1.96%. Rail relays during the year exceeded those for the year 1948 by 6.06 track miles; however, only 354,786 ties were replaced in 1949 as compared to 422,218 in 1948, a decrease of 67,432 ties. Material prices in general continued to increase, but some showed a tendency to level off and in a few cases to decline.

The general decline in revenues, together with the increase in hourly labor costs resulting from wage awards and the 40 hour week made effective September 1, 1949, which it is estimated increased the labor costs by \$209,000, required a reduction of about 20% in man hours as compared to 1948 in order to keep costs within reasonable bounds and still maintain the proper standard for safe operations.

MAINTENANCE OF EQUIPMENT EXPENSES decreased \$182,363, or 2.92%. Wage awards and the inauguration of the 40 hour week increased expenses approximately \$394,000. As against such increased expenses, the cost of locomotive repairs was reduced through the retirement of 11 steam locomotives made possible by the acquisition of 8 new Diesel-electric locomotives.

For the same reasons expressed in the paragraph on MAINTENANCE OF WAY expenses, the equipment repair program was curtailed generally and a reduction of 21% was made in man hours as compared to 1948.

TRAFFIC EXPENSES increased \$30,641 or 4.09%, due in part to wage awards and in part to miscellaneous increases in General Office and Outside Agency expenses.

At a saving in telegraph expense and to effect an improvement in service to the shippers, teletype service was installed during the year between the General Offices in Minneapolis and the agencies in Seattle, Detroit, Philadelphia, New York, Pittsburgh and Portland.

TRANSPORTATION EXPENSES decreased \$490,222 or 3.28%.

Because of the decline in tonnage and increased use of Diesel-electric locomotives there was a substantial decrease in freight train miles, resulting in savings in train and yard expenses. Additional economies in other transportation expenses were effected to offset in part the increased hourly labor cost due to wage awards and the 40 hour week. Tons carried one mile decreased from 2,612,340,168 to 2,424,071,063 or 7.21% as compared with a decrease in freight train miles of 9.34%. Passengers carried one mile decreased from 77,653,721 to 71,593,279 or 7.80% while passenger train miles remained substantially the same as they have been for a number of years past.

Diesel-electric locomotives hauled 46% of the freight train miles run during 1949 which moved 60% of the total revenue tons, as compared with 32% of the freight train miles and 43% of the revenue tons so hauled in 1948.

GENERAL EXPENSES decreased \$47,248 or 4.48% due principally to a retroactive adjustment to October 1, 1946, of the terms of the contract with the Duluth, South Shore and Atlantic Railroad Company covering accounting and other services rendered at Minneapolis for that company.

RAILWAY TAX ACCRUALS for the year amounted to \$3,180,924 as compared with \$3,635,531 for the year 1948, a decrease of \$454,607 or 12.50%, the details of which are shown on page 15.

The Railroad Unemployment Insurance payroll tax rate remained at $\frac{1}{2}$ of 1% throughout the year.

Railroad Retirement Tax rate increased from 5¾% to 6%, effective January 1, 1949 and will so continue until January 1, 1952 at which time it will automatically rise to 6¼%.

State, local and other taxes decreased a net amount of \$51,741 principally due to the decline in the earnings on tonnage moving through Minnesota which resulted in a decrease in the amount of the Minnesota Gross Earnings Tax.

EQUIPMENT RENTS for the year 1949 amounted to a net charge of \$454,259 as compared with \$201,916 in 1948, an increase of \$252,343 or 124.97%. In addition to an increase in the net charges on equipment interchanged with foreign lines, the per diem rate for rental of freight cars was increased on November 1, 1949 from \$1.50 to \$1.75. The \$1.50 rate had been in effect since September 1, 1947.

JOINT FACILITY RENTS for the year amounted to a net charge of \$215,437 as compared with \$193,592 for 1948, an increase of \$21,845 or 11.28%.

PROPERTY INVESTMENT

There was a net increase of \$3,946,076 in the investment in Road and Equipment property as follows:

| | Road | Equipment | Total |
|--------------------------------|-------------|-------------|-------------|
| Additions and Betterments..... | \$1,319,285 | \$3,497,979 | \$4,817,264 |
| Less Retirements | 284,640 | 586,548 | 871,188 |
| Net increase | \$1,034,645 | \$2,911,431 | \$3,946,076 |

The more important items were:

| | |
|---|------------|
| Bridge renewals and filling..... | \$ 124,984 |
| Improvements of and additions to shops and engine terminal facilities..... | 132,759 |
| Purchase of miscellaneous shop tools and machinery..... | 59,874 |
| Purchase of miscellaneous roadway machines..... | 64,308 |
| Widening of cuts..... | 19,576 |
| Additional side and yard tracks..... | 186,212 |
| Relaying of rail in main track, new 90 pound rail replacing 80 and 85 pound rail, 36.91 miles..... | 105,501 |
| Relaying of rail in main track with relay rail, 25.45 miles..... | 45,067 |
| Additions and improvements to station and office buildings..... | 114,855 |
| Construction of and additions to Diesel fuel stations..... | 20,919 |
| Additions and improvements to interlockers..... | 56,722 |
| Additional tie plates and rail anchors..... | 165,945 |
| Assessments for public improvements..... | 28,263 |
| Acquisition of Western Union Telegraph Company's interest in telegraph lines.... | 76,717 |
| Additions and improvements to company telegraph lines..... | 10,460 |
| Installation of automatic grade crossing protection..... | 24,141 |
| Purchase of 2 Diesel-electric 3000 horsepower road-freight locomotives..... | 627,419 |
| Purchase of 4 Diesel-electric 1500 horsepower road-switch locomotives..... | 574,115 |
| Purchase of 2 Diesel-electric 1000 horsepower switching locomotives..... | 196,688 |
| Construction of 235 box cars..... | 1,029,300 |
| Construction of 100 gondola cars..... | 449,915 |
| Purchase of 15 covered hopper cars..... | 99,342 |
| Application of "AB" brake equipment to 176 freight train cars..... | 17,325 |
| Purchase of 6 sleeping cars..... | 23,334 |
| Modernization of 9 passenger train cars..... | 19,757 |
| Addition of 17 other company equipment service units (3 purchased, 1 constructed, and 13 converted from revenue service)..... | 98,352 |
| Purchase of 12 automobiles..... | 20,673 |

Included in the equipment investment account as of December 31, 1949, is an amount of \$422,223 representing material and supplies purchased for freight train cars under construction, the remaining cost of which will be reported in 1950.

The purchase of 50 additional covered hopper cars and one rotary snow plow was authorized at a cost of \$345,000 and \$144,500, respectively; the snow plow was delivered in January 1950 and the hopper cars are to be delivered in April 1950.

The construction in 1950 of 200 new all steel ore cars at North Fond du Lac, Wisconsin, shops at a cost of \$900,000 has been authorized, as has also \$408,400 for 173 additional box cars to be built in part from new material and in part from material recovered from dismantled cars of similar design.

REDUCTION IN DEBT

Long term debt was reduced by \$219,600 during the year. First Mortgage Bonds in the principal amount of \$23,000 were purchased by the company during the year and are being held in the treasury. General Mortgage Bonds in the principal amount of \$196,600 were acquired and cancelled by the Mortgage Trustee through the operation of the Sinking Fund.

Interest accruals were reduced by \$8,994 as compared to the previous year.

Since reorganization of the company on September 1, 1944, the amount of First Mortgage Bonds outstanding has been reduced \$1,742,700 or 21.64% and General Mortgage Bonds \$5,142,600 or 25.55%.

DIVIDEND

On February 18, 1950, the Board of Directors declared a dividend of \$1.00 per share on the outstanding stock of the company, amounting to \$719,104, payable on April 1, 1950, to holders of record as of the close of business on March 15, 1950, this action marking the fifth consecutive year in which a dividend has been declared. Dividends paid since reorganization together with the dividend declared now total \$4,674,176.

EMPLOYMENT AND WAGES

At the beginning of 1949 the railroads and representatives of the non-operating unions had before them recommendations of an emergency board which involved wage increases and a 40 hour work week. An agreement was executed by the parties on March 19, 1949, putting into effect the recommendations of the Board which included a 7c hourly wage increase effective October 1, 1948 and the establishment of the 40 hour week beginning September 1, 1949, on which date hourly and daily rates in effect prior to October 1, 1948, were further increased by 20% so that basic weekly earnings would remain unchanged.

The railroads also had before them at the beginning of 1949 demands made by the operating unions for vacation changes. An agreement was reached effective July 1, 1949 granting to railroad operating employes an annual vaca-

tion of two weeks with pay after five years of service, supplementing the previous arrangement under which these employees were receiving one week's vacation after one year of service.

Demands from the Brotherhood of Locomotive Engineers for employment of an additional engineer on road Diesel-electric locomotives and from the Brotherhood of Locomotive Firemen and Enginemen for the employment of an additional fireman on multiple unit road Diesel-electric locomotives were heard by separate Presidential Emergency Boards during the year. Both boards recommended against employment of additional engineers or firemen on such locomotives.

Train and engine service employees have asked for a 40-hour week in yard service, together with some other changes in rules and working practices. These requests are now being negotiated.

RATE INCREASES

Interim freight rate increases were authorized by the Interstate Commerce Commission effective January 11, 1949 and a final order issued by the Commission dated August 2, 1949 and made effective September 1, 1949, allowed further increases in freight rates over the rates in effect prior to January 11, 1949.

The Commission's order, as it affects the territory through which this company operates, established the increases in rates on a lower level than the national average, fixed maximums on the increases for certain commodities, and allowed no increase on iron ore. It is estimated that based on the tonnages handled in 1949, the increases would approximate 7% as compared to 9.1% for the nation as a whole.

As explained in previous reports, the carriers filed a petition with the Interstate Commerce Commission for an increase of 45% in mail pay rates and in December 1947 the Interstate Commerce Commission granted, as a measure of interim relief, a temporary increase of 25% retroactive to February 19, 1947, which is still in effect. On June 24, 1948 the carriers amended the petition advancing the permanent increase sought from 45% to 65%, and on March 24, 1949 amended the petition again advancing the increase sought to 80%. The petition was further amended on December 30, 1949, seeking a permanent increase of 95% in mail pay rates. The temporary interim increase of 25% made effective on February 19, 1947, was the first increase granted since those made effective in May 1925.

The Railway Express Agency filed a petition with the Interstate Commerce Commission on June 29, 1949 for further increases in express rates. Hearings were held but no decision has as yet been handed down by the Commission.

WISCONSIN CENTRAL RAILWAY

This Company continues to operate the Wisconsin Central properties as Agent for the Trustee, with the approval of the Court, and pursuant to the Operating Agreement as amended and the Schedule of Bases made effective July 1, 1943. The reorganization proceeding for that Company is still pending and further hearings on a plan of reorganization were held by the Interstate Commerce Commission during the year.

DIRECTORATE

Mr. Henry S. Mitchell resigned from the Board of Directors and the Executive Committee effective October 15, 1949.

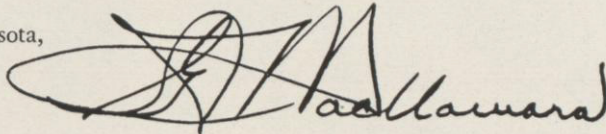
At a meeting of the Board of Directors held on December 14, 1949, Mr. G. A. MacNamara was elected a Director and designated a member of the Executive Committee to fill the vacancy created by the resignation of Mr. Mitchell.

At the same meeting Mr. H. C. Grout expressed a desire to retire from active service as President of the Company effective December 31, 1949. He will continue to serve on the Board of Directors and as a member of the Executive Committee. Mr. Grout's retirement culminates nearly fifty-two years of distinguished railroad service with the Canadian Pacific Railway and this Company.

Mr. G. A. MacNamara was elected President of the Company succeeding Mr. Grout, effective January 1, 1950.

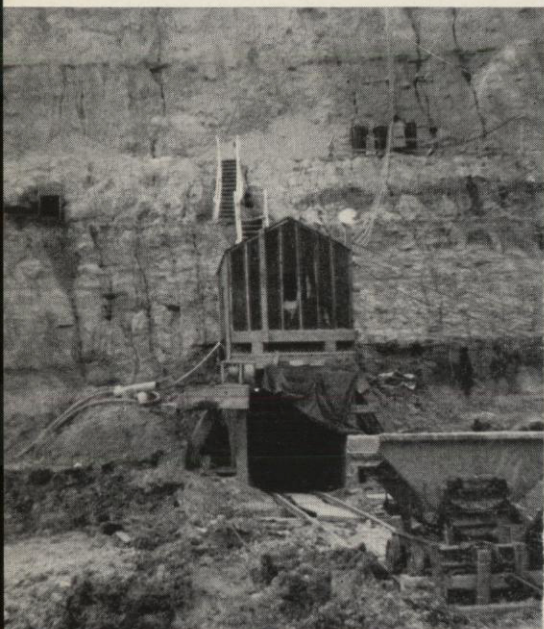
FOR THE BOARD OF DIRECTORS,

Minneapolis, Minnesota,
March 28, 1950.

A large, stylized handwritten signature in dark ink, appearing to read 'G. A. MacNamara'. The signature is written over a horizontal line and extends across the width of the text area.

President.

The Missouri River Garrison Dam is located 11 miles west of Riverdale Jct., on the Soo Line. It will be the largest earth filled dam in the world, being over 2 miles in length, 210' in height, with a base of one-half mile and tapering to a 60' top, and containing 67 million cubic yards of earth fill.



Opening for one of the eight tunnels ranging from 22' to 29' finished diameter, three of which will be used for flood control and five for power. The pool above the dam will have a maximum normal length of 200 miles and will drain from an area of 180,940 sq. miles.



One of the 90' high cement mixers required, having a capacity of 40 cars of gravel and 10 cars of cement per day. An underground pump feeds concrete into the tunnels to line the tunnel walls.



Earth moving machines necessary to handle the excavation of 86 million cubic yards of dirt.

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INCOME ACCOUNT

| | Year 1949 | Year 1948 | Increase or Decrease |
|---|---------------|---------------|-------------------------|
| RAILWAY OPERATING REVENUES: | | | |
| Freight Revenue..... | \$ 32,042,081 | \$ 33,318,449 | \$ 1,276,368 |
| Passenger Revenue..... | 1,351,907 | 1,457,571 | 105,664 |
| All Other Revenue..... | 2,036,980 | 2,234,413 | 197,433 |
| Total Railway Operating Revenues..... | 35,430,968 | 37,010,433 | 1,579,465 |
| RAILWAY OPERATING EXPENSES: | | | |
| Maintenance of Way and Structures..... | 7,112,077 | 7,254,322 | 142,245 |
| Maintenance of Equipment..... | 6,072,726 | 6,255,089 | 182,363 |
| Traffic..... | 780,436 | 749,795 | 30,641 |
| Transportation..... | 14,455,315 | 14,945,537 | 490,222 |
| Miscellaneous..... | 220,888 | 209,634 | 11,254 |
| General..... | 1,007,430 | 1,054,678 | 47,248 |
| Total Railway Operating Expenses..... | 29,648,872 | 30,469,055 | 820,183 |
| Net Revenue from Railway Operations..... | 5,782,096 | 6,541,378 | 759,282 |
| Railway Tax Accruals..... | 3,180,924 | 3,635,531 | 454,607 |
| Railway Operating Income..... | 2,601,172 | 2,905,847 | 304,675 |
| Equipment Rents—Net Dr..... | 454,259 | 201,916 | 252,343 |
| Joint Facility Rents—Net Dr..... | 215,437 | 193,592 | 21,845 |
| Net Railway Operating Income..... | 1,931,476 | 2,510,339 | 578,863 |
| Other Income..... | 220,920 | 258,434 | 37,514 |
| Total Income..... | 2,152,396 | 2,768,773 | 616,377 |
| Miscellaneous Deductions from Income..... | 22,548 | 16,592 | 5,956 |
| Income Available for Fixed and Contingent Charges..... | 2,129,848 | 2,752,181 | 622,333 |
| FIXED CHARGES: | | | |
| Rent for Leased Road and Equipment..... | 1,685 | 1,685 | ..... |
| Interest on Unfunded Debt..... | 1,678 | 6,937 | 8,615 |
| Amortization of Discount on Funded Debt..... | 1,925 | 1,939 | 14 |
| Total Fixed Charges..... | 5,288 | 3,313 | 8,601 |
| Income after Fixed Charges..... | 2,124,560 | 2,755,494 | 630,934 |
| CONTINGENT CHARGES: | | | |
| Interest on First Mortgage Bonds..... | 283,658 | 284,388 | 730 |
| Interest on General Mortgage Bonds..... | 591,776 | 600,040 | 8,264 |
| Sinking Fund—General Mortgage..... | 100,645 | 100,645 | ..... |
| Total Contingent Charges..... | 976,079 | 985,073 | 8,994 |
| Net Income..... | \$ 1,148,481 | \$ 1,770,421 | \$ 621,940 |

| | Year 1949 | Year 1948 |
|---|--------------|--------------|
| Times Earned: | | |
| Interest on First Mortgage Bonds..... | 7.5 | 9.7 |
| Interest on General Mortgage Bonds..... | 3.1 | 4.1 |
| Sinking Fund—General Mortgage..... | 12.4 | 18.6 |
| Net Income: | | |
| Per share..... | \$1.60 | \$2.46 |

EARNED SURPLUS ACCOUNT

As of December 31, 1949

EARNED SURPLUS—APPROPRIATED:

Applicable to period prior to September 1, 1944:

| | | |
|--|------------------|--------------|
| Appropriated for Capital Fund | \$ 500,000 | |
| Appropriated for Sinking Fund | 369,032 | |
| Appropriated for Retirement of Funded Debt | <u>1,184,623</u> | |
| Amount at December 31, 1949 | | \$ 2,053,655 |

Applicable to period subsequent to September 1, 1944:

| | | |
|---|----------------|---------------------|
| Appropriated for Sinking Fund: | | |
| Amount at December 31, 1948 | \$ 436,128 | |
| Accrual—Year 1949 | <u>100,645</u> | |
| Amount at December 31, 1949 | | <u>536,773</u> |
| Total Earned Surplus—Appropriated | | <u>\$ 2,590,428</u> |

EARNED SURPLUS—UNAPPROPRIATED:

Applicable to period prior to September 1, 1944:

| | |
|-----------------------------------|--------------|
| Amount at December 31, 1949 | \$ 9,310,483 |
|-----------------------------------|--------------|

Applicable to period subsequent to September 1, 1944:

| | |
|--|----------------|
| Amount at December 31, 1948 | \$4,601,085 |
| Less Dividend of \$1.00 per share, payable April 1, 1949 | <u>719,104</u> |
| | \$3,881,981 |

Profit and Loss Account—Year 1949:

| | | |
|--|--------------------|---------------------|
| Net Income | \$1,148,481 | |
| Credits from Bonds retired | 95,398 | |
| Miscellaneous Credits | <u>10,418</u> | |
| Total Credits | 1,254,297 | |
| Deduct: | | |
| Miscellaneous Debits | <u>3,464</u> | |
| Net Additions to Surplus for Year 1949 | <u>\$1,250,833</u> | |
| Amount at December 31, 1949 | | <u>5,132,814</u> |
| Total Earned Surplus—Unappropriated | | <u>\$14,443,297</u> |

RAILWAY TAX ACCRUALS

| | Year | Year | Increase or Decrease | Per |
|------------------------------|--------------------|--------------------|-------------------------|--------------|
| | 1949 | 1948 | Amount | Cent |
| Railroad Retirement | \$1,005,108 | \$ 936,935 | \$ 68,173 | 7.28 |
| Railroad Unemployment | 83,119 | 76,969 | 6,150 | 7.99 |
| Federal Income Tax | 657,811 | 1,135,000 | 477,189 | 42.04 |
| State, Local and Other | 1,434,886 | 1,486,627 | 51,741 | 3.48 |
| Total | <u>\$3,180,924</u> | <u>\$3,635,531</u> | <u>\$ 454,607</u> | <u>12.50</u> |

COMPARATIVE GENERAL

ASSETS

| | Dec. 31, 1949 | Dec. 31, 1948 | Increase or Decrease |
|---|---------------|---------------|-------------------------|
| INVESTMENTS: | | | |
| Road and Equipment Property: | | | |
| Road..... | \$105,395,419 | \$104,355,058 | \$1,040,361 |
| Equipment..... | 31,913,195 | 29,001,764 | 2,911,431 |
| Total..... | 137,308,614 | 133,356,822 | 3,951,792 |
| Less: | | | |
| Acquisition adjustment..... | 16,516,546 | 16,510,829 | 5,717 |
| Donations and grants..... | 13,941 | 12,713 | 1,228 |
| Accrued depreciation—road..... | 10,361,583 | 9,985,890 | 375,693 |
| Accrued depreciation—equipment..... | 18,876,254 | 18,241,533 | 634,721 |
| Accrued amortization of Defense Projects— equipment..... | 3,057,334 | 3,210,070 | 152,736 |
| Total..... | 48,825,658 | 47,961,035 | 864,623 |
| Net..... | 88,482,956 | 85,395,787 | 3,087,169 |
| Deposits with Mortgage Trustees..... | 92,971 | 83,381 | 9,590 |
| Miscellaneous physical property..... | 211,474 | 210,591 | 883 |
| Investments in affiliated companies: (See page 19) | | | |
| Stocks—Pledged under First Mortgage..... | 260,375 | 260,375 | ..... |
| Stocks—Pledged under Gen'l Mortgage..... | 900,000 | 900,000 | ..... |
| Advances..... | 459,335 | 445,408 | 13,927 |
| Other Investments: (See page 19) | | | |
| Miscellaneous..... | 1,269 | 3,375 | 2,106 |
| Total Investments..... | 90,408,380 | 87,298,917 | 3,109,463 |

CURRENT ASSETS:

| | | | |
|---|------------|------------|-----------|
| Cash..... | 3,404,571 | 6,366,792 | 2,962,221 |
| U. S. Government securities (short term)..... | 6,240,535 | 7,238,104 | 997,569 |
| Held for land grant deductions..... | 300,000 | 540,000 | 240,000 |
| Special Deposits: | | | |
| For interest and other obligations..... | 97,241 | 120,410 | 23,169 |
| Employees' Income Tax and War Bonds..... | 311,156 | 313,481 | 2,325 |
| For distribution to holders of First Con- solidated Bonds of Predecessor Company ... | 11,460 | 21,849 | 10,389 |
| Other special deposits..... | 2,415 | 293 | 2,122 |
| Traffic and car-service balances..... | 125,136 | 161,930 | 36,794 |
| Agents and conductors' balances..... | 870,207 | 771,083 | 99,124 |
| Miscellaneous accounts receivable..... | 943,497 | 953,445 | 9,948 |
| Material and supplies..... | 5,130,049 | 5,256,504 | 126,455 |
| Interest and dividends receivable..... | 42,849 | 58,535 | 15,686 |
| Accrued accounts receivable..... | 412,351 | 687,762 | 275,411 |
| Other current assets..... | 83,471 | 44,782 | 38,689 |
| Total..... | 17,974,938 | 22,534,970 | 4,560,032 |

DEFERRED ASSETS:

| | | | |
|----------------------------|---------|---------|---------|
| Working fund advances..... | 31,675 | 25,050 | 6,625 |
| Other deferred assets..... | 369,236 | 265,382 | 103,854 |
| Total..... | 400,911 | 290,432 | 110,479 |

UNADJUSTED DEBITS:

| | | | |
|------------------------------|----------------------|----------------------|--------------------|
| Prepayments..... | 123,244 | 135,488 | 12,244 |
| Discount on funded debt..... | 57,444 | 59,921 | 2,477 |
| Other unadjusted debits..... | 426,145 | 387,099 | 39,046 |
| Total..... | 606,833 | 582,508 | 24,325 |
| GRAND TOTAL..... | \$109,391,062 | \$110,706,827 | \$1,315,765 |

BALANCE SHEET

LIABILITIES

| | Dec. 31, 1949 | Dec. 31, 1948 | Increase or Decrease |
|---|---------------|---------------|-------------------------|
| CAPITAL STOCK: | | | |
| 719,104 common shares of no par value stated at \$86.50 per share..... | \$ 62,202,496 | \$ 62,202,496 | \$..... |

LONG-TERM DEBT:

| | | | |
|---|------------|------------|---------|
| First Mortgage, 4½%, Cumulative Income Bonds, Series A, 1-1-71 | 6,309,000 | 6,332,000 | 23,000 |
| Issued.....\$10,000,000 | | | |
| Held in Treasury..... 3,691,000 | | | |
| Gen'l Mortgage, 4%, Income Bonds, Series A, 1-1-91..... | 14,986,400 | 15,183,000 | 196,600 |
| Issued.....\$20,129,000 | | | |
| Retired through Sinking Fund. 1,640,700 | | | |
| Held in Treasury..... 1,501,900 | | | |
| Retired by Company..... 2,000,000 | | | |
| Total | 21,295,400 | 21,515,000 | 219,600 |

CURRENT LIABILITIES:

| | | | |
|---|-----------|-----------|-----------|
| Audited accounts payable..... | 877,390 | 1,126,304 | 248,914 |
| Wages payable..... | 2,164,197 | 2,310,308 | 146,111 |
| Miscellaneous accounts payable..... | 951,495 | 973,137 | 21,642 |
| Interest matured unpaid..... | 929,656 | 972,850 | 43,194 |
| Accrued accounts payable..... | 837,452 | 1,010,532 | 173,080 |
| Taxes accrued..... | 1,851,573 | 2,369,102 | 517,529 |
| Trustee, Wisconsin Central Railway Co. | 209,084 | 483,019 | 273,935 |
| Other current liabilities..... | 388,979 | 424,989 | 36,010 |
| Total..... | 8,209,826 | 9,670,241 | 1,460,415 |

| | | | |
|-----------------------------------|---------|---------|-------|
| DEFERRED LIABILITIES | 123,748 | 129,641 | 5,893 |
|-----------------------------------|---------|---------|-------|

UNADJUSTED CREDITS:

| | | | |
|---|---------|---------|---------|
| Reserve for land grant deductions..... | 253,583 | 534,674 | 281,091 |
| Other unadjusted credits..... | 270,750 | 252,532 | 18,218 |
| Accrued depreciation—leased property..... | 1,195 | 797 | 398 |
| Total..... | 525,528 | 788,003 | 262,475 |

SURPLUS:

| | | | |
|--|----------------------|----------------------|--------------------|
| Unearned surplus..... | 339 | 95 | 244 |
| Earned surplus—Appropriated (see page 15).... | 2,590,428 | 2,489,783 | 100,645 |
| Earned surplus—Unappropriated (see page 15)... | 14,443,297 | 13,911,568 | 531,729 |
| Total..... | 17,034,064 | 16,401,446 | 632,618 |
| GRAND TOTAL | \$109,391,062 | \$110,706,827 | \$1,315,765 |

NOTE: In accordance with Minnesota Law, Earned Surplus at September 1, 1944 in the amount of \$11,364,138 is designated as "Paid-in Surplus."

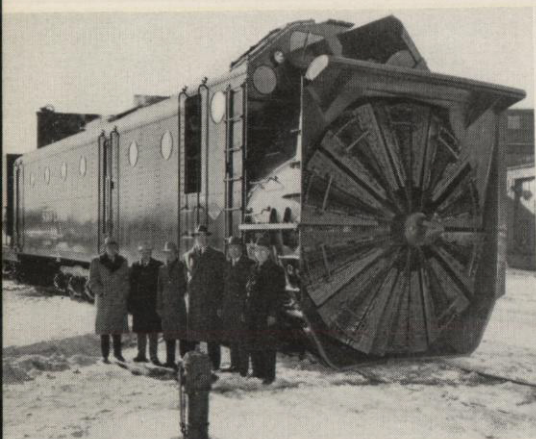
This company is jointly and severally liable, with seven other owner railroads, for the principal and interest on \$13,537,000 of First and Refunding Mortgage 3½% Bonds Series "B" of The Saint Paul Union Depot Company. Interest has been paid by The Saint Paul Union Depot Company on these Bonds as it matured.



A two unit 3,000 H.P. road freight Diesel-electric locomotive built by American Locomotive Co. in 1948. The Company now owns seven of these and four single units built by the same company.



One of five Diesel-electric 3,000 H.P., two unit, road freight locomotives built by Electro-Motive Division of General Motors Corporation in 1947 and 1948.



One of the most powerful rotary snow plows ever built. Purchased from the Lima-Hamilton Corp. The over-all length is nearly 90' and the weight of the plow and tender is 244 tons. The width of the cut to be made by the rotary wheel is 12', and the height of the plow is over 16'. Power for the wheel is supplied by two vertical three-cylinder steam engines producing 1,500 H.P. The tender carries 4,000 gallons of fuel oil and 10,000 gallons of water.

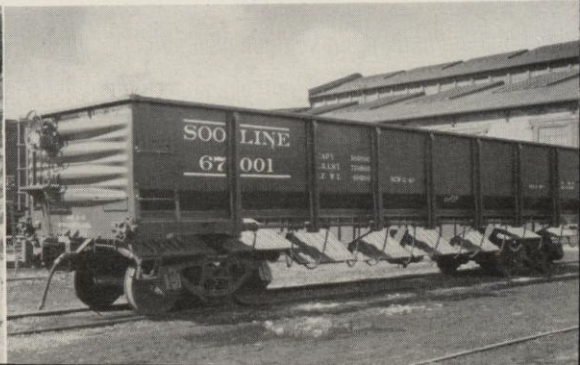


One of 235 40' 6'' 50 ton box cars constructed by Company forces in 1949.



A Diesel-electric 1,500 H. P. road switching locomotive built by Baldwin Locomotive Works in 1947. The Company now has eight Baldwin and four American locomotives of this type in addition to seven Diesel-electric switchers varying from 380 to 1,000 H.P.

Company forces constructed 100 41' 50 ton gondola cars in 1949.



INVESTMENTS IN AFFILIATED COMPANIES

| | Number of Shares | Par Value | Book Value | |
|---|---------------------|--------------|---------------|---------------|
| | | | Dec. 31, 1949 | Dec. 31, 1948 |
| STOCKS—Pledged under First Mortgage: | | | | |
| Sainte Marie Union Depot Co..... | 375 | \$ 37,500 | \$ 37,500 | \$ 37,500 |
| Sault Ste. Marie Bridge Co..... | 2,500 | 250,000 | 500 | 500 |
| Minnesota Transfer Railway Co..... | 913 | 91,300 | 91,300 | 91,300 |
| The Saint Paul Union Depot Co..... | 1,036 | 103,600 | 130,475 | 130,475 |
| Railway Express Agency, Inc..... | 6 | No Par | 600 | 600 |
| TOTAL..... | | 482,400 | 260,375 | 260,375 |

| | | | | |
|---|--------|--------------|---------|---------|
| STOCKS—Pledged under General Mortgage: | | | | |
| Tri-State Land Co. (See Note)..... | 25,000 | \$ 2,500,000 | 900,000 | 900,000 |

ADVANCES:

| | | |
|--|------------|------------|
| Sainte Marie Union Depot Co..... | 26,790 | 26,790 |
| Minnesota Transfer Ry.—Sinking Fund..... | 30,000 | 27,778 |
| Minnesota Transfer Ry.—Steam and Diesel Locomotives..... | 42,406 | 40,082 |
| Minnesota Transfer Ry.—Working Fund..... | 6,440 | 6,440 |
| Minnesota Transfer Ry.—Robbins Property..... | 4,045 | ..... |
| Railway Express Agency, Inc..... | 173,493 | 173,493 |
| Sault Ste. Marie Bridge Co.—U. S. Funds..... | 11,011 | 11,011 |
| Sault Ste. Marie Bridge Co.—Canadian Funds..... | 4,383 | 4,383 |
| Tri-State Land Co..... | 133,630 | 133,630 |
| The St. Paul Union Depot Co..... | 27,137 | 21,801 |
| TOTAL..... | \$ 459,335 | \$ 445,408 |

OTHER INVESTMENTS

| | Number of Shares | Par Value | Book Value | |
|---------------------------------------|---------------------|--------------|---------------|---------------|
| | | | Dec. 31, 1949 | Dec. 31, 1948 |
| STOCKS: | | | | |
| Wisconsin Central Ry. Co. Common..... | 103,595 | \$10,359,500 | \$ 1 | \$ 1 |

OTHER SECURED OBLIGATIONS:

| | | | |
|----------------------------------|---------|---------|---------|
| Real Estate Sales Contracts..... | \$1,266 | \$1,266 | \$3,372 |
|----------------------------------|---------|---------|---------|

ADVANCES:

| | | | |
|---|-------------|------|------|
| Wisconsin Central Ry. Co. (prior to Receivership).... | \$7,049,534 | 1 | 1 |
| Central Terminal Ry. Co..... | | 1 | 1 |
| TOTAL..... | | \$ 2 | \$ 2 |

NOTE: The equity of the Company in the net worth (capital stock and surplus) of the Tri-State Land Company, a solely owned subsidiary, has been written down on the Soo Line books to the estimated value as determined by appraisal as of September 1, 1944. The amount of this equity is \$900,000 as shown under the column headed "Book Value." The net result for the year 1949 was a net income of \$1,497, and the net worth of that company as reflected on its books at December 31, 1949 is \$1,472,659, without provision for impairment of asset values.

OPERATING REVENUES

| | Year 1949 | Year 1948 | Increase or Amount | Decrease Per Cent |
|---|------------------|------------------|-----------------------|----------------------|
| FREIGHT REVENUE: | | | | |
| Products of Agriculture: | | | | |
| Grain..... | \$ 9,952,674 | \$ 9,636,844 | \$ 315,830 | 3.28 |
| Flour..... | 81,603 | 87,404 | 5,801 | 6.64 |
| Potatoes..... | 325,592 | 385,824 | 60,232 | 15.61 |
| All Other..... | 1,165,722 | 1,068,245 | 97,477 | 9.12 |
| Total..... | 11,525,591 | 11,178,317 | 347,274 | 3.11 |
| Animals and Products: | | | | |
| Cattle and Calves..... | 539,957 | 531,788 | 8,169 | 1.54 |
| Hogs..... | 32,692 | 25,705 | 6,987 | 27.18 |
| Butter..... | 124,782 | 87,569 | 37,213 | 42.50 |
| All Other..... | 420,969 | 459,447 | 38,478 | 8.37 |
| Total..... | 1,118,400 | 1,104,509 | 13,891 | 1.26 |
| Products of Mines: | | | | |
| Bituminous Coal..... | 1,039,070 | 1,148,619 | 109,549 | 9.54 |
| Lignite Coal..... | 670,966 | 708,854 | 37,888 | 5.34 |
| Iron Ore..... | 1,308,882 | 1,471,809 | 162,927 | 11.07 |
| Stone and Rock..... | 539,241 | 348,120 | 191,121 | 54.90 |
| Petroleum Crude..... | 76,773 | 728,078 | 651,305 | 89.46 |
| All Other..... | 1,016,907 | 880,467 | 136,440 | 15.50 |
| Total..... | 4,651,839 | 5,285,947 | 634,108 | 12.00 |
| Products of Forests: | | | | |
| Posts, Poles and Piling..... | 273,584 | 246,350 | 27,234 | 11.06 |
| Pulpwood..... | 991,494 | 1,340,520 | 349,026 | 26.04 |
| Lumber, Shingles and Lath..... | 1,636,699 | 2,077,007 | 440,308 | 21.20 |
| All Other..... | 401,694 | 555,606 | 153,912 | 27.70 |
| Total..... | 3,303,471 | 4,219,483 | 916,012 | 21.71 |
| Manufactures and Miscellaneous: | | | | |
| Gasoline and Petroleum Oils, refined..... | 1,112,329 | 1,210,104 | 97,775 | 8.08 |
| Fuel and Road Oils, etc..... | 569,143 | 536,284 | 32,859 | 6.13 |
| Manufactured Iron and Steel..... | 477,433 | 361,389 | 116,044 | 32.11 |
| Cement, building..... | 466,547 | 416,650 | 49,897 | 11.98 |
| Agricultural Implements and Parts..... | 670,318 | 546,867 | 123,451 | 22.57 |
| Fertilizers..... | 142,282 | 152,096 | 9,814 | 6.45 |
| Newsprint Paper..... | 1,013,399 | 962,841 | 50,558 | 5.25 |
| All Other..... | 5,569,888 | 5,614,055 | 44,167 | .79 |
| Total..... | 10,021,339 | 9,800,286 | 221,053 | 2.26 |
| Less-than-carload Freight..... | 1,421,441 | 1,729,907 | 308,466 | 17.83 |
| Total Freight Revenue..... | 32,042,081 | 33,318,449 | 1,276,368 | 3.83 |
| Passenger..... | 1,351,907 | 1,457,571 | 105,664 | 7.25 |
| Mail..... | 879,972 | 885,635 | 5,663 | .64 |
| Express..... | 236,896 | 320,785 | 83,889 | 26.15 |
| Milk..... | 110,627 | 161,370 | 50,743 | 31.45 |
| Other Passenger-train Service..... | 46,486 | 88,156 | 41,670 | 47.27 |
| Switching..... | 101,813 | 99,682 | 2,131 | 2.14 |
| Demurrage..... | 59,146 | 87,388 | 28,242 | 32.32 |
| Telegraph and Telephone..... | 55,414 | 57,361 | 1,947 | 3.39 |
| Ore Dockage Charges..... | 153,923 | 168,422 | 14,499 | 8.61 |
| Joint Facility—Net..... | 180,820 | 173,356 | 7,464 | 4.31 |
| All Other..... | 211,883 | 192,258 | 19,625 | 10.21 |
| Total Operating Revenue..... | \$35,430,968 | \$37,010,433 | \$ 1,579,465 | 4.27 |

OPERATING EXPENSES

| | Year 1949 | Year 1948 | Increase or Decrease Amount Per Cent | |
|--|--------------|--------------|---|--------|
| MAINTENANCE OF WAY AND STRUCTURES: | | | | |
| Superintendence..... | \$ 347,335 | \$ 325,673 | \$ 21,662 | 6.65 |
| Roadway Maintenance..... | 825,898 | 897,417 | 71,519 | 7.97 |
| Tunnels and Subways..... | 130 | 398 | 528 | ..... |
| Bridges, Trestles and Culverts..... | 162,868 | 132,870 | 29,998 | 22.58 |
| Ties..... | 875,195 | 1,001,876 | 126,681 | 12.64 |
| Rails..... | 235,976 | 182,092 | 53,884 | 29.59 |
| Other Track Material..... | 274,186 | 250,457 | 23,729 | 9.47 |
| Ballast..... | 146,394 | 158,202 | 11,808 | 7.46 |
| Track Laying and Surfacing..... | 1,905,168 | 2,084,034 | 178,866 | 8.58 |
| Fences, Snowsheds, and Signs..... | 97,527 | 140,479 | 42,952 | 30.58 |
| Station and Office Buildings..... | 250,169 | 234,219 | 15,950 | 6.81 |
| Roadway Buildings..... | 6,866 | 4,769 | 2,097 | 43.97 |
| Water Stations..... | 66,922 | 64,698 | 2,224 | 3.44 |
| Fuel Stations..... | 24,114 | 23,623 | 491 | 2.08 |
| Shops and Enginehouses..... | 131,806 | 117,933 | 13,873 | 11.76 |
| Wharves and Docks..... | ..... | 120 | 120 | 100.00 |
| Telegraph and Telephone Lines..... | 160,719 | 133,094 | 27,625 | 20.76 |
| Signals and Interlockers..... | 39,586 | 30,998 | 8,588 | 27.71 |
| Power Plants..... | 1,270 | 1,285 | 15 | 1.17 |
| Power Transmission Systems..... | 809 | 592 | 217 | 36.66 |
| Miscellaneous Structures..... | 7 | 33 | 26 | 78.79 |
| Road Property—Depreciation..... | 494,393 | 483,430 | 10,963 | 2.27 |
| Retirements—Road..... | 47,139 | 32,192 | 14,947 | 46.43 |
| Roadway Machines..... | 123,174 | 120,952 | 2,222 | 1.84 |
| Dismantling Retired Road Property..... | 17,497 | 15,130 | 2,367 | 15.64 |
| Small Tools and Supplies..... | 82,089 | 78,995 | 3,094 | 3.92 |
| Removing Snow, Ice and Sand..... | 431,421 | 409,068 | 22,353 | 5.46 |
| Public Improvements—Maintenance..... | 57,328 | 58,358 | 1,030 | 1.76 |
| Injuries to Persons..... | 90,741 | 63,847 | 26,894 | 42.12 |
| Insurance..... | 12,674 | 12,200 | 474 | 3.89 |
| Stationery and Printing..... | 4,962 | 5,519 | 557 | 10.09 |
| Other Expenses..... | 15,051 | 4,113 | 10,938 | ..... |
| Maintaining Jt. Trks., Yds. and Other Fac.—Dr..... | 207,118 | 190,980 | 16,138 | 8.45 |
| Maintaining Jt. Trks., Yds. and Other Fac.—Cr..... | 27,580 | 20,746 | 6,834 | 32.94 |
| Right-of-Way Expenses..... | 3,385 | 15,662 | 12,277 | 78.39 |
| Total..... | \$ 7,112,077 | \$ 7,254,322 | \$ 142,245 | 1.96 |
| Ratio of M of W & S Expenses to Revenues..... | 20.07 | 19.60 | .47 | |

MAINTENANCE OF EQUIPMENT:

| | | | | |
|---|--------------|--------------|------------|-------|
| Superintendence..... | \$ 118,189 | \$ 128,294 | \$ 10,105 | 7.88 |
| Shop Machinery..... | 95,971 | 98,301 | 2,330 | 2.37 |
| Power Plant Machinery..... | 19,722 | 18,301 | 1,421 | 7.76 |
| Shop and Power Plant Mach.—Depreciation..... | 16,251 | 15,595 | 656 | 4.21 |
| Dismantling Retired Shop & P. P. Machinery..... | 230 | 2 | 228 | ..... |
| Steam Locomotives—Repairs..... | 1,528,571 | 1,854,282 | 325,711 | 17.57 |
| Other Locomotives—Repairs..... | 407,400 | 188,470 | 218,930 | ..... |
| Freight Train Cars—Repairs..... | 2,224,713 | 2,377,714 | 153,001 | 6.43 |
| Passenger Train Cars—Repairs..... | 476,303 | 483,732 | 7,429 | 1.54 |
| Work Equipment—Repairs..... | 131,197 | 106,988 | 24,209 | 22.63 |
| Miscellaneous Equipment—Repairs..... | 13,796 | 13,765 | 31 | .23 |
| Dismantling Retired Equipment..... | 2,921 | 13,548 | 10,627 | 78.44 |
| Retirements—Equipment..... | 25,508 | ..... | 25,508 | ..... |
| Equipment—Depreciation..... | 953,223 | 870,580 | 82,643 | 9.49 |
| Injuries to Persons..... | 20,299 | 19,557 | 742 | 3.79 |
| Insurance..... | 28,520 | 17,436 | 11,084 | 63.57 |
| Stationery and Printing..... | 5,160 | 4,259 | 901 | 21.16 |
| Other Expenses..... | 21,241 | 4,546 | 16,695 | ..... |
| Joint Maint. of Equip. Expenses—Dr..... | 39,952 | 44,533 | 4,581 | 10.29 |
| Joint Maint. of Equip. Expenses—Cr..... | 5,425 | 4,814 | 611 | 12.69 |
| Total..... | \$ 6,072,726 | \$ 6,255,089 | \$ 182,363 | 2.92 |
| Ratio of M. of Equip. Expenses to Revenues..... | 17.14 | 16.90 | .24 | |

OPERATING EXPENSES

Continued

| | Year 1949 | Year 1948 | Increase or Amount | Decrease Per Cent |
|--|--------------|--------------|-----------------------|----------------------|
| TRAFFIC EXPENSES: | | | | |
| Superintendence..... | \$ 287,313 | \$ 266,514 | \$ 20,799 | 7.80 |
| Outside Agencies..... | 359,892 | 342,710 | 17,182 | 5.01 |
| Advertising..... | 57,454 | 68,844 | 11,390 | 16.54 |
| Traffic Associations..... | 19,640 | 19,035 | 605 | 3.18 |
| Industrial and Immigration Bureaus..... | 8,910 | 8,298 | 612 | 7.38 |
| Insurance..... | 108 | 99 | 9 | 9.10 |
| Stationery and Printing..... | 47,111 | 44,295 | 2,816 | 6.36 |
| Other Expenses..... | 8 | ..... | 8 | ..... |
| Total..... | \$ 780,436 | \$ 749,795 | \$ 30,641 | 4.09 |
| Ratio of Traffic Expenses to Revenues..... | 2.20 | 2.03 | .17 | ..... |

TRANSPORTATION EXPENSES:

| | | | | |
|---|--------------|--------------|----------------|--------------|
| Superintendence..... | \$ 313,721 | \$ 303,110 | \$ 10,611 | 3.50 |
| Dispatching Trains..... | 172,870 | 166,574 | 6,296 | 3.78 |
| Station Employees..... | 2,246,324 | 2,261,409 | 15,085 | .67 |
| Weighing Insp. and Dem. Bureaus..... | 28,221 | 27,569 | 652 | 2.36 |
| Station Supplies and Expenses..... | 161,659 | 152,423 | 9,236 | 6.06 |
| Yard Masters and Yard Clerks..... | 304,308 | 281,124 | 23,184 | 8.25 |
| Yard Conductors and Brakemen..... | 663,445 | 686,654 | 23,209 | 3.38 |
| Yard Switch and Signal Tenders..... | 30,298 | 30,400 | 102 | .34 |
| Yard Enginemen..... | 305,760 | 364,604 | 58,844 | 16.14 |
| Yard Motormen..... | 145,172 | 110,502 | 34,670 | 31.37 |
| Yard Switching Fuel..... | 286,194 | 297,836 | 11,642 | 3.91 |
| Water for Yard Locomotives..... | 10,918 | 11,511 | 593 | 5.15 |
| Lubricants for Yard Locomotives..... | 8,415 | 10,470 | 2,055 | 19.63 |
| Other Supplies for Yard Locomotives..... | 3,216 | 4,752 | 1,536 | 32.32 |
| Enginehouse Expenses—Yard..... | 131,144 | 132,749 | 1,605 | 1.21 |
| Yard Supplies and Expenses..... | 11,474 | 12,455 | 981 | 7.88 |
| Opr. Joint Yard and Terminals—Dr..... | 732,320 | 654,163 | 78,157 | 11.95 |
| Opr. Joint Yards and Terminals—Cr..... | 65,164 | 65,853 | 689 | 1.05 |
| Train Enginemen..... | 1,171,583 | 1,352,454 | 180,871 | 13.37 |
| Train Motormen..... | 477,798 | 343,943 | 133,855 | 38.92 |
| Train Fuel..... | 2,440,271 | 2,669,532 | 229,261 | 8.59 |
| Water for Train Locomotives..... | 83,500 | 83,249 | 251 | .30 |
| Lubricants for Train Locomotives..... | 71,688 | 83,471 | 11,783 | 14.12 |
| Other Supplies for Train Locomotives..... | 27,331 | 37,590 | 10,259 | 27.29 |
| Enginehouse Expenses—Train..... | 490,855 | 488,382 | 2,473 | .51 |
| Trainmen..... | 2,286,144 | 2,320,670 | 34,526 | 1.49 |
| Train Supplies and Expenses..... | 956,265 | 967,560 | 11,295 | 1.17 |
| Operating Sleeping Cars..... | 56,089 | 55,611 | 478 | .86 |
| Signal and Interlocker Operation..... | 95,038 | 94,098 | 940 | 1.00 |
| Crossing Protection..... | 71,705 | 64,012 | 7,693 | 12.02 |
| Drawbridge Operation..... | 11 | ..... | 11 | ..... |
| Telegraph and Telephone Operation..... | 76,680 | 71,887 | 4,793 | 6.67 |
| Stationery and Printing..... | 48,881 | 50,948 | 2,067 | 4.06 |
| Other Expenses..... | 101,697 | 173,103 | 71,406 | 41.25 |
| Operating Jt. Trks. and Facilities—Dr..... | 126,991 | 117,417 | 9,574 | 8.15 |
| Operating Jt. Trks. and Facilities—Cr..... | 45,106 | 26,361 | 18,745 | 71.11 |
| Insurance..... | 5,254 | 4,556 | 698 | 15.32 |
| Clearing Wrecks..... | 28,336 | 56,380 | 28,044 | 49.74 |
| Damage to Property..... | 7,030 | 9,165 | 2,135 | 23.30 |
| Damage to Live Stock on R. of W..... | 12,843 | 18,844 | 6,001 | 31.85 |
| Loss and Damage—Freight..... | 200,093 | 236,356 | 36,263 | 15.34 |
| Loss and Damage—Baggage..... | 181 | 139 | 42 | 30.22 |
| Injuries to Persons..... | 174,224 | 230,357 | 56,133 | 24.37 |
| Total..... | \$14,455,315 | \$14,945,537 | \$ 490,222 | 3.28 |
| Ratio of Transportation Expenses to Revenues..... | 40.80 | 40.38 | .42 | ..... |

OPERATING EXPENSES

Continued

| | Year 1949 | Year 1948 | Increase or Amount | Decrease Per Cent |
|--|--------------|---------------|-----------------------|----------------------|
| MISCELLANEOUS OPERATIONS: | | | | |
| Dining and Buffet Service..... | \$ 198,010 | \$ 185,477 | \$ 12,533 | 6.76 |
| Operating Jt. Misl. Facilities—Dr..... | 22,878 | 24,157 | 1,279 | 5.29 |
| Total..... | \$ 220,888 | \$ 209,634 | \$ 11,254 | 5.37 |
| Ratio of Misl. Operations to Revenues..... | .62 | .56 | .06 | ..... |
| GENERAL EXPENSES: | | | | |
| Sal. & Exp. of General Officers..... | \$ 116,130 | \$ 128,327 | \$ 12,197 | 9.50 |
| Sal. & Exp. of Clerks and Attendants..... | 645,000 | 648,840 | 3,840 | .59 |
| General Office Supplies and Expenses..... | 49,545 | 58,036 | 8,491 | 14.63 |
| Law Expenses..... | 104,132 | 91,178 | 12,954 | 14.21 |
| Insurance..... | 321 | 336 | 15 | 4.46 |
| Pensions and Gratuities..... | 13,869 | 13,262 | 607 | 4.58 |
| Stationery and Printing..... | 27,838 | 36,655 | 8,817 | 24.05 |
| Other Expenses..... | 45,748 | 73,561 | 27,813 | 37.81 |
| General Joint Facilities—Dr..... | 9,269 | 8,118 | 1,151 | 14.18 |
| General Joint Facilities—Cr..... | 4,422 | 3,635 | 787 | 21.65 |
| Total..... | \$ 1,007,430 | \$ 1,054,678 | \$ 47,248 | 4.48 |
| Ratio of General Expenses to Revenues..... | 2.85 | 2.85 | ..... | ..... |
| Railway Operating Expenses..... | \$29,648,872 | \$ 30,469,055 | \$ 820,183 | 2.69 |
| Ratio of Operating Expenses to Revenues..... | 83.68 | 82.32 | 1.36 | ..... |

| THE SOO LINE DOLLAR | | 1949 | 1948 |
|--|--|---------|-------|
| Income: | | (cents) | |
| Grain..... | | 26.3 | 24.0 |
| Other Products of Agriculture..... | | 4.1 | 3.8 |
| Animals and Products..... | | 3.0 | 2.7 |
| Products of Mines..... | | 12.3 | 13.2 |
| Products of Forests..... | | 8.7 | 10.5 |
| Manufactures and Miscellaneous..... | | 26.4 | 24.4 |
| Less than Carload..... | | 3.8 | 4.3 |
| Passenger-train Service..... | | 6.9 | 7.2 |
| Incidental..... | | 2.0 | 1.9 |
| Rents from Equipment and Joint Facilities..... | | 5.9 | 7.3 |
| Other Income..... | | .6 | .7 |
| Total..... | | 100.0 | 100.0 |
| Spent for: | | | |
| Wages..... | | 48.1 | 47.0 |
| Taxes for Employees Retirement and Unemployment Funds..... | | 2.9 | 2.5 |
| All other taxes..... | | 5.5 | 6.5 |
| Fuel..... | | 7.2 | 7.4 |
| Rail, ties and other track materials..... | | 3.7 | 3.6 |
| Depreciation..... | | 3.9 | 3.4 |
| Other Operating Expenses..... | | 15.4 | 14.5 |
| Interest and Sinking Fund..... | | 2.5 | 2.5 |
| Rents for Equipment and Joint Facilities..... | | 7.7 | 8.2 |
| Miscellaneous..... | | .1 | ..... |
| Total..... | | 97.0 | 95.6 |
| Remainder available for other corporate purposes..... | | 3.9 | 4.4 |

COMPARATIVE STATEMENT OF REVENUES AND EXPENSES

REVENUES

Year Ended December 31

| | 1949 | 1948 | 1947 | 1946 | 1945 | 1944 | 1943 | 1942 | 1941 | 1940 |
|--------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Freight..... | \$32,042,081 | \$33,318,449 | \$29,161,330 | \$24,543,962 | \$24,588,804 | \$26,075,774 | \$22,935,576 | \$20,177,264 | \$17,663,263 | \$15,208,573 |
| Passenger..... | 1,351,907 | 1,457,571 | 1,580,086 | 1,745,284 | 1,906,743 | 1,949,462 | 1,761,256 | 1,031,452 | 657,090 | 652,228 |
| Mail..... | 879,972 | 885,635 | 881,318 | 653,354 | 603,882 | 619,970 | 615,126 | 617,895 | 625,416 | 619,170 |
| Express..... | 236,896 | 320,785 | 351,835 | 373,373 | 428,528 | 382,061 | 327,016 | 322,973 | 137,930 | 124,181 |
| Miscellaneous..... | 439,748 | 522,564 | 500,826 | 543,220 | 552,400 | 496,973 | 452,363 | 367,527 | 358,572 | 286,598 |
| Incidental..... | 480,364 | 505,429 | 463,091 | 407,712 | 389,432 | 362,146 | 352,821 | 300,911 | 289,640 | 246,829 |
| Total..... | 35,430,968 | 37,010,433 | 32,888,486 | 28,266,905 | 28,469,789 | 29,886,386 | 26,444,158 | 22,718,022 | 19,751,911 | 17,137,579 |

EXPENSES

| | | | | | | | | | | |
|---------------------------------------|------------|------------|------------|------------|------------|------------|-----------|-----------|-----------|-----------|
| Maintenance of Way and Structures.... | 7,112,077 | 7,254,322 | 5,976,227 | 5,608,830 | 4,693,232 | 4,848,273 | 4,579,550 | 3,700,300 | 3,481,240 | 2,935,535 |
| Maintenance of Equipment..... | 6,072,726 | 6,255,089 | 5,318,554 | 4,874,999 | 5,304,848 | 4,819,516 | 4,379,242 | 3,999,802 | 3,470,755 | 2,682,768 |
| Traffic Expenses..... | 780,436 | 749,795 | 669,423 | 574,007 | 481,621 | 408,660 | 478,570 | 456,788 | 428,825 | 418,095 |
| Transportation Expenses..... | 14,455,315 | 14,945,537 | 13,782,952 | 12,795,336 | 10,815,950 | 10,580,518 | 9,360,110 | 8,179,482 | 7,432,759 | 6,709,801 |
| Miscellaneous Operations..... | 220,888 | 209,634 | 204,603 | 171,450 | 117,820 | 113,882 | 115,710 | 79,584 | 75,636 | 65,087 |
| General Expenses..... | 1,007,430 | 1,054,678 | 936,828 | 861,390 | 724,296 | 726,991 | 714,925 | 660,940 | 642,309 | 574,418 |
| Transportation for Investment—Cr..... | | | | | | | | | 31,493 | 26,268 |

| | | | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total..... | \$29,648,872 | \$30,469,055 | \$26,888,587 | \$24,886,012 | \$22,137,767 | \$21,497,840 | \$19,628,107 | \$17,076,896 | \$15,500,031 | \$13,359,436 |
| Percentage of Expenses to Earnings..... | 83.7 | 82.3 | 81.8 | 88.0 | 77.8 | 71.9 | 74.2 | 75.2 | 78.5 | 77.9 |
| Net Revenue from Ry. Operations..... | \$ 5,782,096 | \$ 6,541,378 | \$ 5,999,899 | \$ 3,380,893 | \$ 6,332,022 | \$ 8,388,546 | \$ 6,816,051 | \$ 5,641,126 | \$ 4,231,880 | \$ 3,778,143 |
| Railway Tax Accruals..... | 3,180,924 | 3,635,531 | 3,566,226 | 2,066,068 | 3,603,529 | 2,840,791 | 1,815,912 | 1,569,512 | 1,464,717 | 1,273,346 |
| Railway Operating Income..... | 2,601,172 | 2,905,847 | 2,433,673 | 1,314,825 | 2,728,493 | 5,547,755 | 5,000,139 | 4,071,614 | 2,767,163 | 2,504,797 |
| Hire of Equipment—Net..... | 454,259 | 201,916 | 186,243 | 70,412 | 433,608 | 302,237 | 336,085 | 99,064 | 160,290 | 310,213 |
| Joint Facility Rents—Net Dr..... | 215,437 | 193,592 | 214,251 | 226,345 | 357,866 | 139,823 | 195,132 | 186,244 | 293,304 | 158,306 |
| Net Railway Operating Income..... | 1,931,476 | 2,510,339 | 2,033,179 | 1,018,068 | 2,804,235 | 5,710,169 | 5,141,092 | 3,984,434 | 2,313,569 | 2,036,278 |
| Non-Operating Income—Net..... | 198,372 | 241,842 | 154,616 | 231,337 | 128,527 | 139,529 | 105,426 | 13,246 | 130,608 | 131,677 |
| Income Before Fixed and Contingent Charges..... | 2,129,848 | 2,752,181 | 2,187,795 | 1,249,405 | 2,932,762 | 5,849,698 | 5,246,518 | 3,971,188 | 2,444,177 | 2,167,955 |
| Fixed Charges..... | 5,288 | 3,313 | 4,557 | 6,502 | 4,405,359 | 6,587,071 | 6,604,783 | 6,606,813 | 6,596,754 | |
| Contingent Charges..... | 976,079 | 985,073 | 1,000,238 | 1,090,470 | 1,171,827 | 406,031 | | | | |
| Net Income or Deficit..... | \$ 1,148,481 | \$1,770,421 | \$ 1,183,000 | \$ 154,188 | \$ 1,754,433 | \$ 1,038,308 | \$ 1,340,553 | \$ 2,633,595 | \$ 4,162,636 | \$ 4,428,799 |

Date of Reorganization September 1, 1944

GRAIN MOVEMENT

Annual movement of grain in bushels, beginning with 1924, separated between that originated on line and that received from connections in the grain territory, and other movements consisting chiefly of transfers of grain between Minneapolis and the Head-of-the-Lakes.

(ooo omitted from bushels)

| | Originated on Line | | Total | Received from | | Other | |
|-----------|-------------------------|-------------------------|--------|---------------|---------|-----------|---------|
| | Jan. 1 to July 31 | Aug. 1 to Dec. 31 | | Connections | Total | Movements | Total |
| 1924..... | 12,299 | 46,441 | 58,740 | 2,173 | 60,913 | 5,736 | 66,649 |
| 1925..... | 17,673 | 37,944 | 55,617 | 2,182 | 57,799 | 5,136 | 62,935 |
| 1926..... | 14,935 | 18,272 | 33,207 | 1,930 | 35,137 | 5,939 | 41,076 |
| 1927..... | 10,410 | 36,716 | 47,126 | 1,698 | 48,824 | 6,072 | 54,896 |
| 1928..... | 16,145 | 38,275 | 54,420 | 1,774 | 56,194 | 8,950 | 65,144 |
| 1929..... | 16,625 | 20,725 | 37,350 | 1,297 | 38,647 | 7,168 | 45,815 |
| 1930..... | 11,087 | 26,625 | 37,712 | 1,407 | 39,119 | 4,689 | 43,808 |
| 1931..... | 13,652 | 7,801 | 21,453 | 730 | 22,183 | 3,185 | 25,368 |
| 1932..... | 3,705 | 13,207 | 16,912 | 747 | 17,659 | 2,720 | 20,379 |
| 1933..... | 10,558 | 10,021 | 20,579 | 645 | 21,224 | 3,409 | 24,633 |
| 1934..... | 6,394 | 4,954 | 11,348 | 1,996 | 13,344 | 5,534 | 18,878 |
| 1935..... | 3,105 | 14,046 | 17,151 | 927 | 18,078 | 4,201 | 22,279 |
| 1936..... | 6,379 | 3,517 | 9,896 | 1,112 | 11,008 | 3,871 | 14,879 |
| 1937..... | 2,147 | 12,427 | 14,574 | 587 | 15,161 | 3,706 | 18,867 |
| 1938..... | 4,859 | 15,058 | 19,917 | 916 | 20,833 | 4,719 | 25,552 |
| 1939..... | 7,941 | 17,625 | 25,566 | 1,594 | 27,160 | 3,104 | 30,264 |
| 1940..... | 10,886 | 18,766 | 29,652 | 7,831 | 37,483 | 2,447 | 39,930 |
| 1941..... | 13,549 | 26,165 | 39,714 | 3,433 | 43,147 | 5,127 | 48,274 |
| 1942..... | 16,941 | 29,854 | 46,795 | 1,642 | 48,437 | 4,073 | 52,510 |
| 1943..... | 26,953 | 38,110 | 65,063 | 14,228 | 79,291 | 10,136 | 89,427 |
| 1944..... | 34,453 | 34,399 | 68,852 | 34,578 | 103,430 | 6,743 | 110,173 |
| 1945..... | 30,437 | 45,748 | 76,185 | 3,692 | 79,877 | 8,832 | 88,709 |
| 1946..... | 26,769 | 32,417 | 59,186 | 1,477 | 60,663 | 6,883 | 67,546 |
| 1947..... | 24,065 | 39,540 | 63,605 | 1,752 | 65,357 | 6,191 | 71,548 |
| 1948..... | 19,282 | 34,689 | 53,971 | 1,597 | 55,568 | 5,245 | 60,813 |
| 1949..... | 26,786 | 27,299 | 54,085 | 1,202 | 55,287 | 5,712 | 60,999 |

STATISTICS

| Operating Factors | | Year 1949 | Year 1948 | Increase or Amount | Decrease Per Cent |
|---------------------------------------|--|--------------|--------------|-----------------------|----------------------|
| Freight Train Load: | | | | | |
| Gross tons per train—Steam..... | | 1,425 | 1,540 | 115 | 7.47 |
| Diesel..... | | 2,533 | 2,506 | 27 | 1.08 |
| Average..... | | 1,935 | 1,853 | 82 | 4.43 |
| Net tons per carload..... | | 30.2 | 30.7 | .5 | 1.63 |
| Freight train fuel consumption | | | | | |
| per 1000 gross ton miles: | | | | | |
| Pounds of coal Steam..... | | 129 | 124 | 5 | 4.03 |
| Gallons of fuel oil Diesel..... | | 1.6 | 1.5 | .1 | 6.67 |
| Freight train fuel cost | | | | | |
| per 1000 gross ton miles: | | | | | |
| Steam..... | | \$.5287 | \$.4672 | \$.0615 | 13.16 |
| Diesel..... | | \$.1546 | \$.1690 | \$.0144 | 8.52 |
| Average..... | | \$.3034 | \$.3364 | \$.0330 | 9.81 |
| Freight train speed: | | | | | |
| Steam..... | | 15.8 | 15.4 | .4 | 2.60 |
| Diesel..... | | 20.8 | 21.3 | .5 | 2.35 |
| Average..... | | 17.8 | 16.9 | .9 | 5.33 |
| Gross ton miles per freight | | | | | |
| train hour: | | | | | |
| Steam..... | | 22,509 | 23,713 | 1,204 | 5.08 |
| Diesel..... | | 52,726 | 53,458 | 732 | 1.37 |
| Average..... | | 34,369 | 31,371 | 2,998 | 9.56 |

STATISTICS

Continued

| | Year 1949 | Year 1948 | Increase or Amount or Number | Decrease Per Cent |
|--|---------------|---------------|------------------------------------|-------------------------|
| Average miles of road operated..... | 3,223.93 | 3,224.48 | .55 | .02 |
| TRAIN MILES (Revenue Service) | | | | |
| Freight service: | | | | |
| Steam..... | 1,557,796 | 2,149,529 | 591,733 | 27.53 |
| Diesel..... | 1,326,658 | 1,032,118 | 294,540 | 28.54 |
| Total..... | 2,884,454 | 3,181,647 | 297,193 | 9.34 |
| Passenger service..... | 1,897,712 | 1,877,959 | 19,753 | 1.05 |
| Total train miles..... | 4,782,166 | 5,059,606 | 277,440 | 5.48 |
| LOCOMOTIVE MILES (Revenue Service) | | | | |
| Freight service: | | | | |
| Steam..... | 1,600,254 | 2,184,816 | 584,562 | 26.76 |
| Diesel..... | 1,328,968 | 1,034,182 | 294,786 | 28.50 |
| Total..... | 2,929,222 | 3,218,998 | 289,776 | 9.00 |
| Passenger service..... | 1,930,290 | 1,907,841 | 22,449 | 1.18 |
| Switching service—road and yard..... | 1,094,442 | 1,150,152 | 55,710 | 4.84 |
| Total locomotive miles..... | 5,953,954 | 6,276,991 | 323,037 | 5.15 |
| CAR MILES (Revenue Service) | | | | |
| Freight: | | | | |
| Loaded..... | 80,353,368 | 85,100,603 | 4,747,235 | 5.58 |
| Empty..... | 47,014,809 | 47,172,202 | 157,393 | .33 |
| Caboose..... | 2,219,880 | 2,507,384 | 287,504 | 11.47 |
| Total..... | 129,588,057 | 134,780,189 | 5,192,132 | 3.85 |
| Passenger: | | | | |
| Coaches..... | 2,512,206 | 2,487,438 | 24,768 | 1.00 |
| Sleeping and parlor..... | 2,814,696 | 2,890,852 | 76,156 | 2.63 |
| Other..... | 6,146,039 | 6,258,285 | 112,246 | 1.79 |
| Total..... | 11,472,941 | 11,636,575 | 163,634 | 1.41 |
| Total car miles..... | 141,060,998 | 146,416,764 | 5,355,766 | 3.66 |
| GROSS TON MILES | | | | |
| Freight service—cars and contents..... | 5,581,481,398 | 5,896,384,125 | 314,902,727 | 5.34 |
| Passenger service—cars only..... | 669,351,022 | 676,847,508 | 7,496,486 | 1.11 |
| Total ton miles..... | 6,250,832,420 | 6,573,231,633 | 322,399,213 | 4.90 |
| FREIGHT TRAFFIC | | | | |
| Freight revenue..... | \$32,042,081 | \$33,318,449 | \$1,276,368 | 3.83 |
| Number of carloads..... | 266,428 | 294,795 | 28,367 | 9.62 |
| Tons—revenue freight..... | 9,795,977 | 11,051,403 | 1,255,426 | 11.36 |
| Ton miles—revenue freight..... | 2,424,071,063 | 2,612,340,168 | 188,269,105 | 7.21 |
| Averages Per Mile of Road | | | | |
| Freight revenue..... | \$ 9,939 | \$ 10,333 | \$ 394 | 3.81 |
| Train miles..... | 895 | 987 | 92 | 9.32 |
| Total freight train car miles..... | 40,196 | 41,799 | 1,603 | 3.84 |
| Ton miles—revenue freight..... | 751,899 | 810,159 | 58,260 | 7.19 |
| Averages Per Train Mile | | | | |
| Freight revenue..... | \$ 11.11 | \$ 10.47 | \$.64 | 6.11 |
| Average number of freight cars—loaded..... | 27.9 | 26.7 | 1.2 | 4.49 |
| Average number of freight cars—empty..... | 16.3 | 14.8 | 1.5 | 10.14 |
| Average number of freight cars—loaded & empty..... | 44.2 | 41.5 | 2.7 | 6.51 |
| Average number of tons of revenue freight.... | 840.4 | 821.1 | 19.3 | 2.35 |
| Gross ton miles..... | 1,935.0 | 1,853.2 | 81.8 | 4.41 |
| Averages Per Loaded Car Mile | | | | |
| Freight revenue (cents)..... | 39.9 | 39.2 | .7 | 1.79 |
| Average number of tons of revenue freight.... | 30.2 | 30.7 | .5 | 1.63 |
| Miscellaneous Averages | | | | |
| Revenue per ton of freight..... | \$ 3.27 | \$ 3.01 | \$.26 | 8.64 |
| Revenue per ton mile of freight (cents)..... | 1.32 | 1.28 | .04 | 3.13 |
| Miles hauled—revenue freight..... | 247.5 | 236.4 | 11.10 | 4.70 |

STATISTICS

Continued

| | Year 1949 | Year 1948 | Increase or Amount or Number | Decrease Per Cent |
|--|--------------|--------------|------------------------------------|-------------------------|
| Classification of Revenue Tonnage Carried | | | | |
| Grain..... | 1,608,587 | 1,582,630 | 25,957 | 1.64 |
| Products of agriculture—all other..... | 401,737 | 407,588 | 5,851 | 1.44 |
| Animals and products..... | 146,150 | 145,730 | 420 | .29 |
| Products of mines..... | 3,783,741 | 4,311,710 | 527,969 | 12.25 |
| Products of forests..... | 1,460,441 | 2,009,811 | 549,370 | 27.33 |
| Manufactures and miscellaneous..... | 2,302,585 | 2,471,335 | 168,750 | 6.83 |
| Total carload freight..... | 9,703,241 | 10,928,804 | 1,225,563 | 11.21 |
| Less carload freight..... | 92,736 | 122,599 | 29,863 | 24.36 |
| Total carload and LCL freight..... | 9,795,977 | 11,051,403 | 1,255,426 | 11.36 |
| PASSENGER TRAFFIC | | | | |
| Passenger revenue..... | \$ 1,351,907 | \$ 1,457,571 | \$ 105,664 | 7.25 |
| Passenger service train revenue..... | \$ 2,625,888 | \$ 2,913,517 | \$ 287,629 | 9.87 |
| Revenue passengers carried..... | 318,703 | 369,774 | 51,071 | 13.81 |
| Revenue passenger miles..... | 71,593,279 | 77,653,721 | 6,060,442 | 7.80 |
| Averages Per Mile of Road | | | | |
| Passenger revenue..... | \$ 419 | \$ 452 | \$ 33 | 7.30 |
| Passenger service train revenue..... | \$ 814 | \$ 904 | \$ 90 | 9.96 |
| Train miles..... | 589 | 582 | 7 | 1.20 |
| Total passenger train car miles..... | 3,559 | 3,609 | 50 | 1.39 |
| Revenue passenger miles..... | 22,207 | 24,083 | 1,876 | 7.79 |
| Averages Per Train Mile | | | | |
| Passenger revenue..... | \$.71 | \$.78 | \$.07 | 8.97 |
| Passenger service train revenue..... | \$ 1.38 | \$ 1.55 | \$.17 | 10.97 |
| Average number of passenger cars..... | 6.0 | 6.2 | .2 | 3.23 |
| Average number of passengers..... | 37.8 | 41.4 | 3.6 | 8.70 |
| Averages Per Car Mile—Passenger | | | | |
| Passenger revenue (cents)..... | 25.4 | 27.1 | 1.7 | 6.27 |
| Average number of passengers..... | 13.4 | 14.4 | 1.0 | 6.94 |
| Miscellaneous Averages | | | | |
| Revenue per passenger..... | \$ 4.24 | \$ 3.94 | \$.30 | 7.61 |
| Revenue per passenger mile (cents)..... | 1.89 | 1.88 | .01 | .53 |
| Miles carried—revenue passengers..... | 224.6 | 210.0 | 14.6 | 6.95 |
| TOTAL TRAFFIC | | | | |
| Operating revenue..... | \$35,430,968 | \$37,010,433 | \$ 1,579,465 | 4.27 |
| Operating expenses..... | \$29,648,872 | \$30,469,055 | \$ 820,183 | 2.69 |
| Net operating revenue..... | \$ 5,782,096 | \$ 6,541,378 | \$ 759,282 | 11.61 |
| Averages Per Mile of Road | | | | |
| Train miles..... | 1,483 | 1,569 | 86 | 5.48 |
| Car miles..... | 43,754 | 45,408 | 1,654 | 3.64 |
| Operating revenue..... | \$ 10,990 | \$ 11,478 | \$ 488 | 4.25 |
| Operating expenses..... | \$ 9,196 | \$ 9,449 | \$ 253 | 2.68 |
| Net operating revenue..... | \$ 1,793 | \$ 2,029 | \$ 236 | 11.63 |
| Averages Per Train Mile | | | | |
| Operating revenue..... | \$ 7.41 | \$ 7.31 | \$.10 | 1.37 |
| Operating expenses..... | \$ 6.20 | \$ 6.02 | \$.18 | 2.99 |
| Net operating revenue..... | \$ 1.21 | \$ 1.29 | \$.08 | 6.20 |

COMPARISON OF PERCENTS OF REVENUE TONNAGE CARRIED WITH REVENUES EARNED

| | TONS—% | | REVENUES—% | |
|--|--------|--------|------------|--------|
| | 1949 | 1948 | 1949 | 1948 |
| Grain..... | 16.42 | 14.32 | 31.06 | 28.92 |
| Products of agriculture—all other..... | 4.10 | 3.69 | 4.91 | 4.63 |
| Animals and products..... | 1.49 | 1.32 | 3.49 | 3.32 |
| Products of mines..... | 38.62 | 39.02 | 14.52 | 15.87 |
| Products of forests..... | 14.91 | 18.18 | 10.31 | 12.66 |
| Manufactures and miscellaneous..... | 23.51 | 22.36 | 31.28 | 29.41 |
| Total carload freight..... | 99.05 | 98.89 | 95.57 | 94.81 |
| Less carload freight..... | .95 | 1.11 | 4.43 | 5.19 |
| Total carload and LCL freight..... | 100.00 | 100.00 | 100.00 | 100.00 |

EQUIPMENT OWNED

| | Jan. 1st 1949 | Addi- tions | Deduc- tions | Dec. 31st 1949 |
|---|------------------|----------------|-----------------|-------------------|
| STEAM LOCOMOTIVES | | | | |
| Steam Locomotives—Road..... | 132 | 0 | 10 | 122 |
| Steam Locomotives—Switch..... | 14 | 0 | 1 | 13 |
| Total Steam Locomotives..... | 146 | 0 | 11 | 135 |
| OTHER LOCOMOTIVES | | | | |
| Diesel Elec.—Road Freight-3000 H.P.—Dbl. Unit.... | 10 | 2 | 0 | 12 |
| Diesel Elec.—Road-Switch-1500 H.P.—Sgl. Unit.... | 8 | 4 | 0 | 12 |
| Diesel Elec.—Switch-various H.P.—Sgl. Unit..... | 5 | 2 | 0 | 7 |
| Total Other Locomotives..... | 23 | 8 | 0 | 31 |
| FREIGHT-TRAIN CARS | | | | |
| Automobile cars..... | 594 | 0 | 18 | 576 |
| Ballast cars..... | 195 | 0 | 22 | 173 |
| Box cars..... | 4,770 | 235 | 186 | 4,819 |
| Caboose cars..... | 127 | 0 | 2 | 125 |
| Flat cars..... | 367 | 0 | 1 | 366 |
| Gondola cars..... | 497 | 100 | 0 | 597 |
| Hopper cars—closed top..... | 7 | 15 | 0 | 22 |
| Hopper cars—open top..... | 200 | 0 | 0 | 200 |
| Ore cars..... | 1,107 | 0 | 0 | 1,107 |
| Stock cars..... | 395 | 0 | 0 | 395 |
| Tank cars..... | *4 | 0 | 0 | *4 |
| Total Freight-Train Cars..... | 8,263 | 350 | 229 | 8,384 |
| PASSENGER-TRAIN CARS | | | | |
| Baggage cars..... | 29 | 0 | 0 | 29 |
| Baggage and smoking cars..... | 1 | 0 | 0 | 1 |
| Coach-Caboose..... | 1 | 0 | 0 | 1 |
| Dining cars..... | 4 | 0 | 0 | 4 |
| Mail and Express cars..... | 28 | 0 | 0 | 28 |
| Mail, Express and Coach..... | 6 | 0 | 0 | 6 |
| Passenger coaches..... | 38 | 0 | 0 | 38 |
| Coach-Cafe-Lounge..... | 2 | 0 | 0 | 2 |
| Passenger and baggage cars..... | 5 | 0 | 0 | 5 |
| Sleeping cars..... | 5 | 6 | 0 | 11 |
| Tourist cars..... | 6 | 0 | 0 | 6 |
| Sleeping-Restaurant and Lounge..... | 2 | 0 | 0 | 2 |
| Drovers cars..... | 5 | 0 | 0 | 5 |
| Total Passenger-Train Cars..... | 132 | 6 | 0 | 138 |
| WORK EQUIPMENT..... | | | | |
| | 237 | 17 | 14 | 240 |
| MISCELLANEOUS EQUIPMENT..... | | | | |
| | **28 | 12 | 4 | **36 |

*Tanks owned by Gedney Pickle Co. mounted on four flat cars owned by this company.

**Includes 2 automobiles owned jointly with N. P. Ry. Co.

ROAD AND EQUIPMENT PROPERTY

Year Ended December 31, 1949

| Account | Expenditures for Additions and Betterments | Net Increase in Investment Account (After deducting cost of Property retired) |
|--|---|---|
| Engineering..... | \$ 11,130 | \$ 2,846 |
| Land for Transportation Purposes..... | 4,689 | 28,367 |
| Other Right-of-Way Expenditures..... | 2,930 | 2,168 |
| Grading..... | 46,745 | 32,473 |
| Bridges, Trestles and Culverts..... | 130,297 | 85,776 |
| Ties..... | 79,747 | 71,621 |
| Rails..... | 106,827 | 85,951 |
| Other Track Material..... | 253,735 | 243,786 |
| Ballast..... | 10,859 | 9,035 |
| Track Laying and Surfacing..... | 73,182 | 63,419 |
| Fences, Snowsheds and Signs..... | 11,018 | 9,054 |
| Station and Office Buildings..... | 104,212 | 45,346 |
| Roadway Buildings..... | 5,999 | 5,577 |
| Water Stations..... | 7,171 | 91,784 |
| Fuel Stations..... | 20,480 | 20,480 |
| Shops and Enginehouses..... | 125,665 | 115,257 |
| Telegraph and Telephone Lines..... | 89,230 | 86,690 |
| Signals and Interlockers..... | 85,944 | 84,347 |
| Power Transmission Systems..... | 698 | 543 |
| Miscellaneous Structures..... | 20 | 20 |
| Roadway Machines..... | 64,308 | 63,883 |
| Public Improvements—Construction..... | 38,568 | 35,765 |
| Shop Machinery..... | 59,672 | 57,068 |
| Power Plant Machinery..... | 501 | 501 |
| Total expenditures for road..... | 1,319,285 | 1,058,189 |
| Steam Locomotives..... | 1,516 | 301,444 |
| Other Locomotives..... | 1,405,995 | 1,405,995 |
| Freight-train Cars..... | 1,472,668 | 1,208,537 |
| Passenger-train Cars..... | 46,330 | 45,490 |
| Work Equipment..... | 128,574 | 114,383 |
| Miscellaneous Equipment..... | 20,673 | 16,247 |
| Unapplied Material and Supplies-Equipment..... | 422,223 | 422,223 |
| Total expenditures for equipment..... | 3,497,979 | 2,911,431 |
| General Officers and Clerks..... | | 1,294 |
| Law..... | | 788 |
| Stationery and Printing..... | | 95 |
| Taxes..... | | 442 |
| Interest during Construction..... | | 14,925 |
| Other Expenditures—General..... | | 284 |
| Total General Expenditures..... | | 17,828 |
| Grand Total..... | \$4,817,264 | \$3,951,792 |

RAIL RELAID

| | |
|---|-------------|
| 90 pound rail installed in Main Tracks..... | 36.91 miles |
| Second hand rail installed in Main Tracks..... | 25.45 miles |
| Second hand rail installed in Other Tracks..... | 1.74 miles |

CROSS TIES REPLACED

| | |
|---------------------------|---------|
| Untreated cross ties..... | 15,373 |
| Treated cross ties..... | 339,413 |

MILES OF ROAD OPERATED, DECEMBER 31, 1949

SOLELY OWNED

| Minnesota Division | | Miles |
|---------------------------|---|----------|
| Portal, N. D. | to Minneapolis, Minn., W. Switch, Humboldt Yard | 543.77 |
| Whitetail, Mont. | to Flaxton, N. D. | 136.65 |
| Sanish, N. D. | to Prairie Junction, N. D. | 32.81 |
| Plaza, N. D. | to Max, N. D. | 35.65 |
| Max, N. D. | to Drake, N. D. | 48.13 |
| Max, N. D. | to Hankinson, N. D. | 303.86 |
| Pollock, S. D. | to Wishek, N. D. | 70.73 |
| Grenville, S. D. | to Fairmount, N. D. | 83.61 |
| Total Minnesota Division | | 1,255.21 |

| Winnipeg Division | | |
|--------------------------|---------------------------|--------|
| Noyes, Minn. | to Glenwood, Minn. | 265.05 |
| Kenmare, N. D. | to Dakota Junction, Minn. | 296.35 |
| Armourdale, N. D. | to Egeland, N. D. | 21.86 |
| Drake, N. D. | to Fordville, N. D. | 130.41 |
| Total Winnipeg Division | | 713.67 |

| Minneapolis-Duluth Division | | |
|---|--------------------------------|--------|
| Minneapolis, Minn., 5th Avenue North | to W. Switch, Humboldt Yard | 4.74 |
| Minneapolis, Minn., Camden Place | to Weyerhauser, Wis. | 112.87 |
| Minneapolis, Minn., Columbia Heights | to Hilo Junction | 1.09 |
| St. Paul, Minn. | to Cardigan Junction, Minn. | 8.13 |
| Dresser Jct., Wis. | to Superior, Wis., 28th Street | 103.31 |
| Superior, Wis., 12th Street Junction | to Interstate Bridge | 1.89 |
| Duluth, Minn., Interstate Bridge | to 10th Ave., Freight House | 1.39 |
| Summit, Wis. | to St. Croix Falls, Wis. | 2.04 |
| Ridgeland, Wis. | to Barron, Wis. | 18.52 |
| Rice Lake, Wis. | to Cameron, Wis. | 6.84 |
| Superior, Wis. | to Conn. with N. P. Ry. | .68 |
| Plummer, Minn. | to Moose Lake, Minn. | 192.29 |
| Lawler, Minn. | to East Lake, Minn. | 6.51 |
| Ironton, Minn. | to Crosby, Minn. | 1.00 |
| Boylston Jct., Wis. | to Brooten, Minn. | 175.89 |
| McGregor, Minn. | to Conn. with N. P. Ry. | .06 |
| Total Minneapolis-Duluth Division | | 637.25 |

| Gladstone Division | | |
|---------------------------|-----------------------------|----------|
| Weyerhauser, Wis. | to Sault Ste. Marie, Mich. | 378.71 |
| Wisconsin Jct., Wis. | to Winnebago Junction, Wis. | 118.76 |
| Appleton, Wis., North Wye | to End of track | 1.07 |
| Rapid River, Mich. | to Eben Junction, Mich. | 30.54 |
| Total Gladstone Division | | 529.08 |
| Total Solely Owned | | 3,135.21 |

JOINTLY OWNED

| | |
|---|--------------|
| Sault Ste. Marie, Mich.—Joint with D. S. S. & A. Ry. Co. | 1.72 |
| Minneapolis, Minn.—Joint with N. P. Ry. | .88 |
| Bemidji, Minn.—Joint with N. P. Ry. | .19 |
| Deerwood, Minn., to Cuyuna Range Mines—Joint with N. P. Ry. | <u>20.95</u> |
| Total Jointly Owned | <u>23.74</u> |
| Total Mileage Owned and Operated | 3,158.95 |

MILES OF ROAD OPERATED, DECEMBER 31, 1949

Continued

Total Mileage Owned and Operated 3,158.95

TRACKAGE RIGHTS

Over Wisconsin Central Railway

| | |
|---|--------------|
| Superior, Wis., 28th Street..... to Tower Avenue..... | 2.44 |
| Duluth, Minn., Berwind Jct..... to 6th Avenue..... | 4.71 |
| Winnebago Jct., Wis..... to Menasha, Wis..... | 4.25 |
| Ladysmith, Wis..... | 1.75 |
| Total Over W. C. Ry..... | 13.15 |

Joint With Wisconsin Central Railway

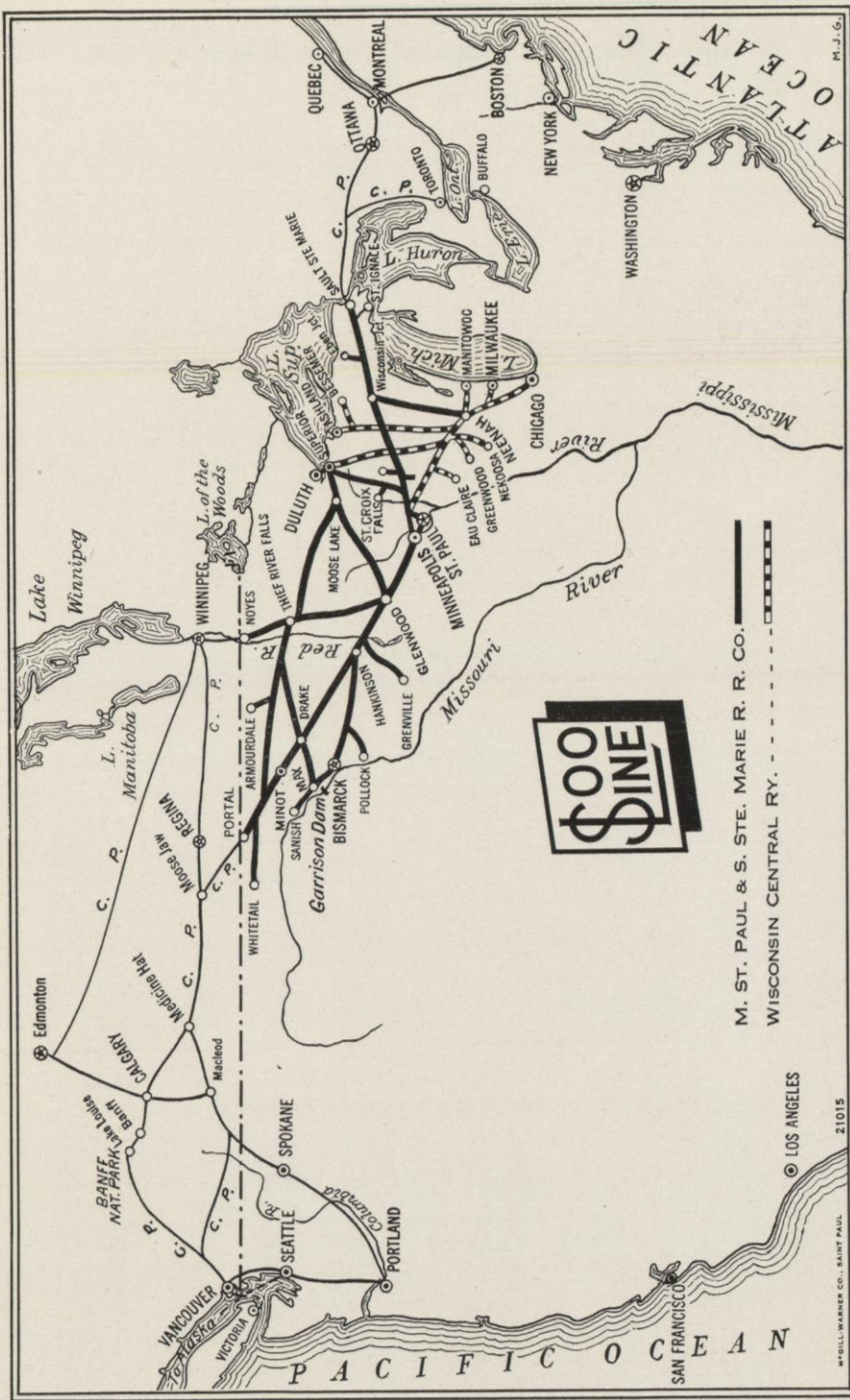
| | | |
|---------------------------------------|---|--------------|
| St. Paul, Minn..... | N. P. Ry., Soo Line Jct. to 3rd St..... | 2.42 |
| | St. P. U. D. Co., 3rd St. to Sibley St..... | .85 |
| | C. St. P. M. & O. Ry. and C. M. St. P. & P. R. R., Sibley St. to Chestnut St..... | .79 |
| | C. M. St. P. & P. R. R., Chestnut St. to Minneapolis, Minn..... | 10.54 |
| Minneapolis, Minn..... | M. & St. L. Ry., 20th Ave. South to 4th Ave. North..... | .81 |
| | N. P. Ry., 4th Ave. N. to 14th Ave. N.... | .66 |
| Superior, Wis..... | D. S. Br. Co., Superior, Wis., to Interstate Bridge..... | .54 |
| | L. S. T. & T. Ry., Tower Ave..... | .43 |
| | N. P. Ry., Grassy Point Line, Superior, Wis., to Duluth, Minn..... | 1.96 |
| Duluth, Minn..... | N. P. & C. St. P. M. & O., 8th to 15th Ave. West..... | .37 |
| Total Joint with W. C. Ry..... | | 19.37 |

Other

| | |
|---|-----------------|
| Sault Ste. Marie, Mich.—Union Depot Co..... | .52 |
| Sault Ste. Marie, Mich.—Ste. Marie Bridge Co..... | .52 |
| Deerwood—McGregor, Minn.—N. P. Ry..... | 30.95 |
| Superior—Ore Dock Line & Hill Ave. Yard—N. P. Ry..... | .47 |
| Total Other..... | 32.46 |
| Total Soo Line Mileage Operated..... | 3,223.93 |
| Mileage operated as Agent for Trustee of Wisconsin Central Ry. Co. | 1,051.37 |
| Less mileage common to both Soo Line and W. C. Ry. Co..... | 78.07 |
| Total System Mileage Operated..... | 4,197.23 |

MILES OF ROAD OPERATED IN EACH STATE

| | Soo Line | W. C. Ry. Co. | Less Common Soo Line- W. C. Ry. Co. | System |
|-------------------|-----------------|-----------------|---|-----------------|
| Montana..... | 56.89 | ..... | ..... | 56.89 |
| North Dakota..... | 1,310.01 | ..... | ..... | 1,310.01 |
| South Dakota..... | 108.49 | ..... | ..... | 108.49 |
| Minnesota..... | 1,017.81 | 86.70 | 61.17 | 1,043.36 |
| Wisconsin..... | 506.68 | 873.17 | 16.90 | 1,362.94 |
| Michigan..... | 224.05 | 20.07 | ..... | 244.11 |
| Illinois..... | ..... | 71.43 | ..... | 71.43 |
| Total..... | 3,223.93 | 1,051.37 | 78.07 | 4,197.23 |



M. ST. PAUL & S. STE. MARIE R. R. CO.
 WISCONSIN CENTRAL RY.

M.J.G.

21015

WILLIAMS-WARNER CO., SAINT PAUL

